



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2012**

ON THE FOLLOWING MEASURE:

H.B. NO. 1181, PROPOSED H.D. 1, RELATING TO GOVERNMENT.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Wednesday, February 29, 2012 **TIME:** 04:00 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): David M. Louie, Attorney General, or
Michael Parrish, Deputy Attorney General

Chair Oshiro and Members of the Committee:

The Department of the Attorney General (the "Department") strongly supports H.B. No. 1181, H.D. 1.

The primary purpose of this bill is to bring Hawaii's State false claims law into conformance with the Federal False Claims Act. It also updates the County False Claims Act to reflect the same changes that are sought in the State False Claims Act. A large portion of this bill is taken from H.B. No. 2468. After the amendments to the County False Claims Act were added to that bill, it was determined that a new vehicle bill with a broader title was needed. In our view, this bill is the more desirable vehicle to bring the State False Claims Act into accord with Federal law, and at the same time, update the County False Claims Act so that it will be consistent with the State False Claims Act.

This bill will ensure that Hawaii updates its law to comply with section 1909 of the Social Security Act, which was amended by the Fraud Enforcement and Recovery Act, the Federal False Claims Act, the Affordable Care Act, the Patient Protection and Affordable Care Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act. It will enable the State to continue to retain an additional ten percent of any civil recovery in cases involving federal programs. Hawaii must comply with the federal law changes by March 31, 2013.

This bill will allow amendments to the County False Claims Act and be consistent with the State False Claims Act.

The Department respectfully requests that this bill be passed in its entirety.